



Policy Statement_x

TO: Hospital Administrators
Hospital CFO's
Consultants

FROM: Sonia D. Chambers, Chair 

DATE: June 3, 2005

RE: Policy Statement 2005-1
New Services

The purpose of this policy statement (2005-1) is to clarify the reporting of new services to the Authority and the process for adding items related to the new service to the current charge master.

All price changes to the currently approved charge master, with the exception of central supply and pharmacy, must be submitted to the Authority. (Note these records are required to respond to public inquiries)

Further, expanded technologies and new procedure techniques are not considered new services for justification of an overage but must be submitted for inclusion into the current charge master.

For Rate Review purposes, if the answer to question 1 OR question 2 is yes AND the answer to questions 3 is YES, then the service must first be approved by the Authority.

- 1 - Is it a service the hospital is not currently providing?
(If yes, but the answer to question 3 is NO, just submit the Changes to be incorporated into the current charge master)
- 2 - Is it a service for which the hospital is not currently billing?
(If yes, but the answer to question number 3 is NO, just submit the changes to be incorporated into the current charge master)
- 3 - Is it a new revenue source that may cause the hospital to exceed its revenue limits and potentially be used for justification of an overage?
(If the answer to this question alone is yes, then it is considered a new service and must be submitted for approval.)

Pursuant to WV Code §§65-5-13 and 65-5.10.3.3 a hospital requesting to add new service charge codes to the existing charge master must:

- 1- Apply to the Authority for approval of a rate schedule for the new service. (NOTE: An approved CON or a determination of non-reviewability does not constitute approval by the Rate Review Division. Rate Review approval is a separate requirement.)
- 2- Publish the proposed rates in the local media in the geographic location of the hospital; (see attached sample legal ad)
- 3- State in the publication that the rates will go into effect in thirty (30) days from publication; and,
- 4- State in the publication that affected parties may contest the proposal within two (2) weeks from publication.

In addition, the Authority's Rate Review Division requires hospitals to submit the following data when requesting approval to add new charge codes to its existing charge master for new services:

- 1- The projected non-governmental new service utilization (discharges and visits) for the remainder of the fiscal year;
- 2- The projected non-governmental new service revenues (inpatient and outpatient) for the remainder of the fiscal year;
- 3- The proposed charge per non-governmental discharge and/or non-governmental outpatient visit (which tie to the data provided in items 1 and 2);
- 4- A copy of the published legal advertisement;
- 5- A schedule of the new rates to be added to the current charge master in the required electronic format (see HCA Memo dated April 16, 2003 entitled - Electronic Submission of Schedule of Rates from Chris Clark, Director of Analysis); and,
- 6- Date the new service is scheduled to begin.

IMPORTANT NOTE: A new service that has not been pre-approved by the Rate Review Division cannot be used as potential justification for inpatient and/or outpatient overages. For changes to charge masters that do not involve new services, see Policy Statement 2001-1.